



Odd Molly International AB (publ)
Stockholm, Sweden, February 14, 2019

Tough year behind us – clear plan ahead

OCTOBER 1 – DECEMBER 31, 2018

- Total operating revenue decreased 27 percent to SEK 65.7 million (89.6).
- The gross profit margin increased to 52.4 percent (51.6).
- The operating loss was SEK -22.6 million (-11.1).
- The net loss amounted to SEK -20.7 million (-9.2).
- Earnings per share amounted to SEK -2.46 (-1.60).
- The Board of Directors has proposed to the Annual General Meeting that no dividend be paid for the financial year 2018, as was the case in the financial year 2017.

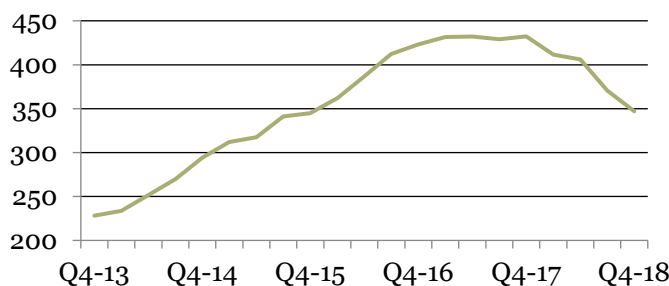
JANUARY 1 – DECEMBER 31, 2018

- Total operating revenue decreased 20 percent to SEK 346.9 million (432.1).
- The gross profit margin was 53.7 percent (53.9).
- The operating loss was SEK -60.6 million (-4.5).
- The net loss amounted to SEK -53.5 million (-6.3).
- Earnings per share amounted to SEK -7.52 (-1.09).

EVENTS DURING AND AFTER THE QUARTER

- During the year, the company performed a strategic review of the business model which, among other things, resulted in a comprehensive action plan and the development of a licensing model for implementation in a number of international markets. With these initiatives Odd Molly becomes a more streamlined and efficient company with a focus on digital sales, branding and product range, while reducing risk and tied-up capital.
- In October, an agreement was signed with an operator in Portugal and Spain, which under the licensing model has taken over sales to retailers in these markets and operations of the existing store in the El Corte Inglés department store in Lisbon. In February, an agreement was signed with the existing partner in the Czech Republic, Slovakia and Hungary, where he continues to operate existing as well as any new Odd Molly stores in each respective market.
- Implementation of the action plan was initiated with the aim to reduce complexity, tied-up capital and operating costs by around SEK 50 million on a full-year basis. The effects are gradually being realized in 2019 with emphasis on the second half of the year. Restructuring costs of SEK 5.8 million were recognized in the third quarter.
- In line with the strategy to ensure continued strong position and physical presence of the brand, while at the same time reducing the number of stores operated by the company, an Odd Molly store was opened in February in the NK department store in Stockholm under the management of a reseller.

Sales LTM





KEY FIGURES

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018*	Jan-Dec 2017**
Total operating revenue, SEK million	65.7	89.6	346.9	432.1
Change, %	-27	4	-20	2
Gross profit margin, %	52.4	51.6	53.7	53.9
Operating profit/loss, SEK million	-22.6	-11.1	-60.6	-4.5
Operating margin, %	-34.5	-12.4	-17.5	-1.0
Net profit/loss, SEK million	-20.7	-9.2	-53.5	-6.3
Earnings per share before dilution, SEK	-2.46	-1.60	-7.52	-1.09
Earnings per share after dilution, SEK	-2.46	-1.60	-7.52	-1.09
Return on equity, %	-24.0	-9.7	-64.2	-6.4
Equity/assets ratio, %	47	50	47	50
Cash flow from operating activities, SEK million	-9.4	13.7	-30.6	-0.5

* Result affected by restructuring costs of SEK 5.8 million.

** Result affected by restructuring costs of SEK 4.8 million.

Comment from the CEO

Step by step transition to a faster, more cost and capital efficient business



Odd Molly finished 2018 in line with the weak trend from the previous quarters due to a challenging market and initiated comprehensive restructuring efforts. These initiatives will render positive effects materializing gradually during 2019, with emphasis on the second half of the year. The action plan announced in October is being implemented according to plan to more quickly pivot the business model, simplify operations and reduce costs by about SEK 50 million on an annual basis. This means, among other things, that we will significantly reduce both our product range and retail network.

The transition is affecting sales, even in the stores that have not yet closed. Odd Molly's total operating revenue in the fourth quarter decreased by 27 percent compared with the same quarter in 2017 and the operating loss was SEK -22.6 million. We did not see the same positive effect in revenue during the regular sale periods during the fall as we did in the previous year, which adversely affected sales but did lead to an improved gross profit margin.

The restructuring work entails both savings and reprioritization to enable selected investments. We are shifting the business model by working with selected licensees to strengthen Odd Molly's international foothold and at the same time drive sales on oddmolly.com, managed by ourselves. Odd Molly is becoming a more streamlined company with a focus on digital sales, branding and product range.

Online

In line with our strategic focus on increased digital sales, we have strengthened the management team through the addition of a new head of e-commerce, who joined us in February and brings with him extensive expertise and experience at a strategic and operational level.

Product range and brand

Odd Molly has reached a strong brand recognition, especially in Scandinavia, but in order to achieve improved development here and internationally we need to vitalize the brand. Therefore, I am pleased that during the quarter we began the work of revitalizing the Odd Molly brand. The new expression, represented by strong ambassadors, will be visible during the first quarter 2019. At the same time, we continue the optimization and alignment of the product range to our strategy, the market conditions and the consumer behavior, which will also

render positive effects on the cost base.

“A transition year with lower sales and negative results – but most importantly with a new strategy to be faster and more cost and capital efficient.”

Licenses and collaborations

The licensing model is capital-efficient and creates much better conditions for a local partner to grow and invest in the brand and distribution. With a local partner that builds brand presence and awareness in the market, we get support for a positive development of our own e-commerce (oddmolly.com), which we continue to operate ourselves. The first to convert to licensed markets are Portugal and Spain, the Czech Republic, Slovakia and Hungary. In February an Odd Molly store was opened in the NK department store in Stockholm, operated by one of our longstanding resellers.

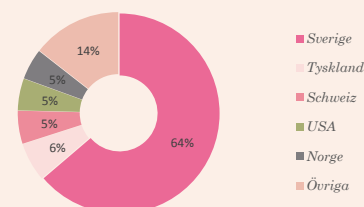
In summing up, we have now closed the books on 2018, a transition year with lower sales and negative results – but most importantly with a new strategy to be faster and more cost and capital efficient. We follow our new plan with a clear objective, well aware and humble that it takes time to change a business model. The journey with Odd Molly continues, because we know that the world needs more Mollys!

Jennie Högstedt Björk, CEO

KEY FIGURES JANUARY-DECEMBER 2018

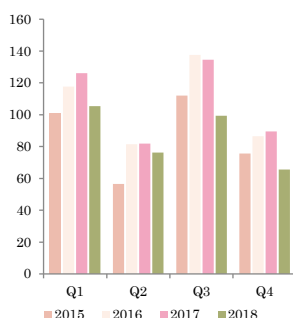
- Total operating revenue SEK 346.9 million (432.1)
- Operating loss SEK -60,6 million (-4.5)
- Operating margin -17.5% (-1.0)

REVENUE BY COUNTRY, JANUARY-DECEMBER 2018

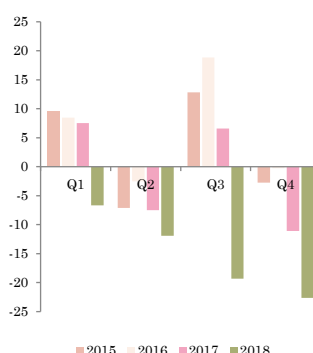


The Group's development

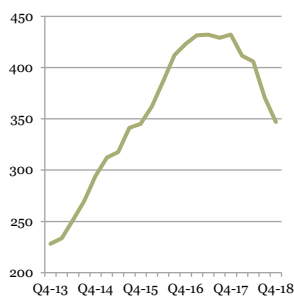
QUARTERLY SALES



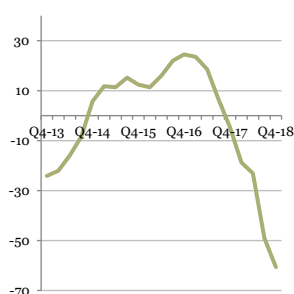
QUARTERLY OPERATING RESULT



ROLLING 12-MONTH SALES



ROLLING 12-MONTH OPERATING RESULT



SEASONAL FLUCTUATIONS

Odd Molly's operations are seasonal, with higher sales in the first and third quarters, while the second and fourth quarters are seasonally lower. As a result, the company's operations, sales and profits are best followed on a semiannual basis. Because of the growing share of retail sales, the seasonal fluctuations are gradually diminishing.

TOTAL OPERATING REVENUE

Fourth quarter October 1 - December 31, 2018

Total operating revenue in the fourth quarter amounted to SEK 65.7 million (89.6), a decrease of 27 percent compared with the same period in 2017. The company's retail operations (own sales to consumers through stores and web shop) decreased 24 percent to SEK 37.2 million (48.8), mainly due to lower sales in the company's own stores compared with 2017. Odd Molly's Mid-Season and Black Friday sales did not reach the same level as the previous year. Sales were also affected by completed and pending store closures. Revenue from wholesale operations (sales to retailers and partners) decreased 30 percent compared with the previous year to SEK 28.5 million (40.8) in the fourth quarter. Sales were affected by challenges in business, where many, primarily smaller retailers, have decreased their orders.

The period January 1 - December 31, 2018

Total operating revenue during the year amounted to SEK 346.9 million (432.1), a decrease of 20 percent compared with 2017. The company's retail sales decreased 9 percent to SEK 200.4 million (221.1). The web shop continued to generate growth, while the company's own stores performed weakly. Revenue from wholesale operations decreased 31 percent to SEK 146.5 million (211.0).

EARNINGS

Fourth quarter October 1 - December 31, 2018

The gross profit margin for the quarter was 52.4 percent (51.6), positively affected by smaller share of discounted sales and more favorable exchange rates. The operating loss was SEK -22.6 million, compared with SEK -11.1 million in the same period in 2017 primarily due to the lower sales.

Personnel expenses amounted to SEK 19.8 million (30.1 percent of total operating revenue), compared with SEK 19.1 million (21.4 percent of total operating revenue) in the previous year. Other external expenses amounted to SEK 34.4 million (52.4 percent of total operating revenue), compared with SEK 35.2 million (39.3 percent of total operating revenue) in the previous year, negatively affected by higher provision for bad debt compared to last year.

The action plan announced in connection with the interim report for the third quarter is being implemented according to plan with the goal to reduce tied-up capital, complexity and costs primarily through a substantial consolidation of company operated stores, further optimization and reduction of the product range and implementation of the licensing model. Effects will be materialized gradually during 2019 with emphasis on the second half of the year.

The net loss amounted to SEK -20.7 million (-9.2) and earnings per share amounted to SEK -2.46 (-1.60).

The period January 1 - December 31, 2018

The gross profit margin during the year was 53.7 percent (53.9). A provision for bonuses earned by customer club members negatively affected gross profit by SEK 0.9 million and the margin for the full-year by 0.2 percentage points.

The operating loss was SEK -60.6 million, compared with SEK -4.5 million in the same period in 2017, negatively affected primarily by lower sales, but also marketing costs, digital investments and the restructuring costs of SEK 5.8 million (4.8) allocated in the third quarter.

Personnel expenses amounted to SEK 78.0 million (22.5 percent of total operating revenue), compared with SEK 77.1 million (17.8 percent of total operating revenue) in the previous year. Other external expenses, including restructuring costs, amounted to SEK 156.0 million (45.0 percent of total operating revenue) and SEK 147.4 million (34.1 percent of total operating revenue) in the previous year.

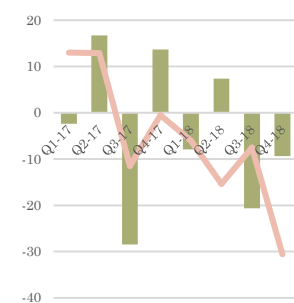
The net loss amounted to SEK -53.5 million (-6.3) and earnings per share amounted to SEK -7.52 (-1.09).

Analysis of operating result

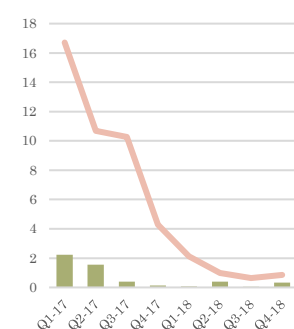
SEK million	Oct-Dec	Jan-Dec
Operating loss 2017	-11.1	-4.5
Effect of lower sales	-10.4	-37.2
Effect of gross profit margin	+0.6	-1.2
Higher distribution costs due to increased share of digital sales	-1.5	-6.9
Higher restructuring costs*	-	-1.0
Operating expenses (digital investments during the year increased expenses, while savings and initial store consolidation reduced expenses)	-0.2	-9.8
Operating loss 2018	-22.6	-60.6

*The result was affected by restructuring costs of SEK 5.8 million in the 2018 period and SEK 4.8 million in the same period in 2017.

CASH FLOW FROM OPERATING ACTIVITIES QUARTERLY AND ROLLING 12 MONTHS (LINE)



INVESTMENTS QUARTERLY AND ROLLING 12 MONTHS (LINE)



INVESTMENTS AND CASH FLOW

In the fourth quarter of 2018, the company's investments totaled SEK 0.3 million (0.1). Cash flow from operating activities amounted to SEK -9.4 million (13.7) and total cash flow was SEK -9.7 million (13.6). The lower operating result negatively affected cash flow, while the change in working capital had a positive impact.

For the full-year 2018 the company's investments totaled SEK 0.9 million (4.3). Cash flow from operating activities amounted to SEK -30.6 million (-0.5), negatively affected by the lower operating result, but also by the final tax payment for financial year 2016 and compensation related to last year's organizational changes and agent buyouts totaling approximately SEK 7 million. Working capital changes positively affected cash flow by SEK 24.8 million. Total cash flow amounted to SEK 3.8 million (-10.6), including the proceeds from the share issue with pre-emption rights and overallotment issue totaling SEK 35.3 million after issue costs.

INVENTORY

Inventory amounted to SEK 80.6 million at year-end, compared with SEK 77.7 million at year-end 2017. Compared with the previous quarter inventory increased SEK 3.2 million. The company continues to sell off older merchandise through various channels as well as to optimize procurement based on current conditions.

FINANCIAL POSITION

The Group's total assets amounted to SEK 162.5 million (183.4) on December 31, 2018. Shareholders' equity was SEK 75.6 million on the same date, compared with SEK 90.1 million on December 31, 2017. The equity/assets ratio was 47 percent (50) at year-end and cash and cash equivalents amounted to SEK 16.5 million (17.0).

Net liquidity, after utilized overdraft facilities, amounted to SEK -8.4 million (-12.6). Accounts receivable amounted to SEK 38.8 million on December 31, 2018, compared with SEK 59.0 million on December 31, 2017.

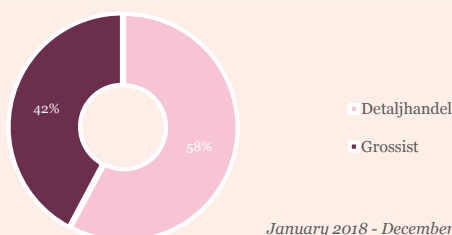
DIVIDEND

In light of the annual result and cash flow, as well as the transition that is under way, the Board of Directors is proposing to the Annual General Meeting that no dividend be paid for the financial year 2018. For the financial year 2017 no dividend was paid.

Segments

The company reports revenue and operating results for three segments: wholesale, retail and common group costs. Operating results for each segment are charged with direct costs for the segment. Costs not directly attributable to wholesale or retail are reported in the segment common group costs.

REVENUE BY SEGMENT



January 2018 - December 2018

WHOLESALE

- Retailers (stores and web shops)
- Stores managed by partners
- Shop-in-shops managed by retailers

RETAIL

- Web shop
- Stores managed by Odd Molly as independent stores, outlets, stores in shopping centers and department stores
- Located in Sweden, Norway, Finland

RETAIL

Development in January-December 2018

- Sales down 9 percent due to lower year-over-year sales in own physical stores.
- Profitability affected by promotion-driven market and higher distribution costs due to higher percentage of digital sales.
- Higher costs for digital investments and marketing.

SEK in thousands	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Sales	37,151	48,762	200,402	221,150
Operating profit/loss	289	3,966	7,177	30,972
Operating margin, %	0.8	8.1	3.6	14.0

WHOLESALE

Development in January-December 2018

- Sales down 31 percent due to general decrease for physical retailers in the market.
- Lower gross profit margin from discounted sales of older merchandise.
- Lower operating costs compared with the previous year, when restructuring costs were recognized in this segment. The reorganization generated savings during the year, which were partly invested in international markets.
- Higher provision for bad debt.

SEK in thousands	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Sales	28,527	40,797	146,516	210,968
Operating profit/loss	-3,907	3,123	8,481	34,458
Operating margin, %	-13.7	7.7	5.8	16.3

COMMON GROUP COSTS

Operating expenses not directly attributable to the wholesale or retail operations are classified as common group costs. Examples include the cost of design, production and marketing not attributable to either sales segment as well as general and administrative costs for accounting, logistics and IT.

Development in January-December 2018

- SEK 6.3 million higher costs compared with 2017 mainly due to restructuring costs of SEK 5.8 million.

SEK in thousands	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating loss	-19,012	-18,187	-76,252	-69,910

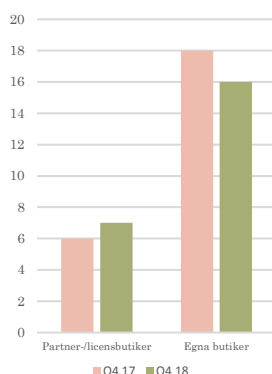
NEW SEGMENTS AS OF THE FIRST QUARTER OF 2019

During the year, the company developed a licensing model to implement in a number of international markets. In this model a local operator takes over operations in the licensed territory, which can mean one or more markets. The operator operates as a wholesaler and/or retailer and pays a royalty to Odd Molly based on sales in the territory. Odd Molly maintains the e-commerce business through oddmolly.com. Operators with a retail business in their market receive compensation in the form of a commission on sales on oddmolly.com from their market. The size of the commission depends on the scope of the retail business, i.e., how many Odd Molly stores the operator runs in the market. The license model creates conditions to strengthen Odd Molly's foothold internationally and at the same time drive sales on oddmolly.com with lower fixed costs, reduced capital tied-up and lower risk.

Because of the licensing model's implementation, a new segment will be reported starting in the first quarter of 2019 under the name Licensing. In this segment, royalties and other direct revenue and costs attributable to this part of the business will be reported.

Other

STORES AS OF DECEMBER 31



EVENTS DURING THE QUARTER AND AFTER ITS CONCLUSION

Stores

The consolidation of Odd Molly's own retail network is continuing. The store on Humlegårdsgatan in Stockholm was closed in late January 2019 and the store in Bromma Blocks will be closed in March. In April the store in the Nova shopping center in Lund will be closed. Negotiations are underway with employees and landlords on further store closings in line with the plan to reduce the number of stores to six within the next year. In October the Odd Molly store at El Corte Inglés in Lisbon was taken over by the licensee, which is managing operations in Portugal and Spain. In early February an Odd Molly store was opened in the NK department store in Stockholm, which is managed by one of the company's reseller for many years.

Management

In February the management team was strengthened through the addition of Joakim Karlsson as the new head of e-commerce. Joakim has extensive experience in digital commerce at both an operating and strategic level and comes most recently from a role as head of e-commerce for the health food company Life.

Action plan and strategy

In connection with the interim report for the third quarter the company announced a comprehensive action plan to keep pace with the rapid changes in the market and return to underlying growth with lower costs, complexity and tied-up capital. The plan also supports the transition to digital and international growth. The action plan is being implemented according to plan and taken together these initiatives and measures will reduce operating expenses by about SEK 50 million on an annual basis, with the impact gradually felt in 2019 with emphasis on the second half of the year. Restructuring costs of SEK 5.8 million for the action plan were recognized in the third quarter.

The main areas in the plan are consolidating Odd Molly's own retail network, implementation of a licensing model in a number of international markets and optimization and reduction of the product range.

Licensing agreement was signed with the existing operator in the Czech Republic, Slovakia and Hungary in early 2019. In October, as previously announced, an agreement was signed with an operator in Spain and Portugal who has taken over operations and sales in these markets, including the Odd Molly store in the El Corte Inglés department store in Lisbon. Discussions are underway with potential licensees in additional markets to create greater opportunities to strengthen the brand internationally together with partners who better understand local conditions, and for Odd Molly with less risk, reduced fixed costs and capital.

NUMBER OF SHARES

As of December 31, 2018 there were a total of 8,419,333 shares outstanding.

Key ratios per share	Dec 31 2018	Dec 31 2017
Weighted average no. of shares before dilution (full-year)	7,111,244	5,752,000
Weighted average no. of shares after dilution (full-year)	7,111,244	5,752,000
Equity per average share before dilution, SEK	10.63	15.82

EMPLOYEES

The total number of employees at the end of the period was 97 (98), of whom 6 were men and 91 women. The average number of employees during the year was 97 (102).

PARENT COMPANY

The Parent Company reported total operating revenue of SEK 321.0 million (409.2) during the year with an operating loss of SEK -49.9 million (-9.4). The Parent Company's adjusted shareholders' equity amounted to SEK 47.5 million (63.1). Cash and cash equivalents amounted to SEK 8.7 million (12.4). Net liquidity, after utilized overdraft facilities, amounted to SEK -16.1 million (-17.2).

Sales in the U.S. are through the wholly owned subsidiary Odd Molly Inc. Odd Molly also has subsidiaries in Denmark, Norway, Finland and Sweden that manage operations in their respective countries. All other sales are through the Parent Company.

Since the U.S. subsidiary's solvency is considered uncertain in the short term, an impairment loss of SEK 8.3 million was recognized in the fourth quarter on Parent Company's receivables from Odd Molly Inc., which adversely affected the Parent Company's result.

TRANSACTIONS WITH RELATED PARTIES

Aside from the Parent Company's sales of products to subsidiaries, the following transactions with related parties took place in 2018.

Until the subscription proceeds from the share issue with pre-emption rights and the overallocation issue became available, the company in the second quarter obtained two short-term loans of SEK 5 million each on market terms from two of the company's major owners, Kattvik Financial Services AB and M2 Capital Management AB. Both of these loans have been fully amortized and accrued interest was paid in the second quarter.

ANNUAL GENERAL MEETING 2019

The Annual General Meeting of Odd Molly International AB will be held in Stockholm on May 7, 2019. The annual report for the financial year 2018 will be published in early April 2019.

RISK FACTORS

Due to the nature of its operations, the Odd Molly Group is exposed to risks and uncertainties. A detailed description of the risks and uncertainties to which Odd Molly is exposed is provided in the Board of Directors' report and in note 27 of Odd Molly's Swedish annual report for 2017, which is published on Odd Molly's website. There we also explain how Odd Molly manages and tries to minimize these risks. The assessment of these risks is unchanged compared with the assessment in the Swedish annual report 2017.

ACCOUNTING PRINCIPLES

As of January 1, 2008 the Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

Further, the consolidated statements are prepared in accordance with Swedish law by applying the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups. The Swedish Financial Reporting Board's recommendation RFR 2 Reporting for legal entities has been applied in the preparation of the Parent Company's financial statements. The accounting principles applied in this interim report are described on pages 45-48 of the Swedish annual report for 2017. The accounting principles are unchanged compared with the previous year's annual report. New and revised accounting standards and interpretations that apply to 2018 are not considered likely to materially affect the company's financial reports. For further information, see below.

Currency derivatives are measured at fair value within level 2, according to the definition in IFRS 13, i.e., fair value based on valuation models using observable market data. Other financial assets have been classified as loans and accounts receivable. Other financial liabilities have been classified as other financial

liabilities at amortized cost. All financial assets and liabilities have short maturities, based on which their book value is considered approximate to fair value.

The consolidated statements comprise Odd Molly International AB (Parent Company), Odd Molly Sverige AB, Odd Molly Inc., Odd Molly Denmark ApS, Odd Molly Finland Oy and Odd Molly Norway A/S. Reference to the company in this interim report pertains to the Odd Molly Group.

New IFRS and interpretations that are applied as of January 1, 2018

IFRS 9 Financial Instruments

The standard entered into force on January 1, 2018 and has been adopted by the EU.

a) Classification and measurement

The company does not see a significant impact on its balance sheet or equity due to the new classification and valuation requirements. Currency derivatives will continue to be measured at fair value within level 2, i.e., fair value based on valuation techniques with observable market data. Other financial liabilities are classified as other financial liabilities at amortized cost. All financial assets and liabilities have short maturities and, as a result, book value is considered an approximation of fair value.

b) Impairment

According to IFRS 9, expected credit losses will be booked for all outstanding instruments and receivables. The company has evaluated the current method for measuring trade receivables and conducted a thorough analysis of historical impairment losses. The company has historically had low credit losses; in 2018, for example, they amounted to only 0.13% of sales. The company's assessment is that the transition to IFRS 9 does not have a significant impact on impairment of trade receivables.

c) Hedge accounting

The company applies hedge accounting to the derivatives (forward exchange contracts) that are used to protect against the risk of exchange rate fluctuations tied to projected cash flows related to the movement of goods. The company will continue to report these instruments according to IAS 39, which is consistent with IFRS 9.

IFRS 15 Revenue from Contracts with Customers

The standard entered into force on January 1, 2018 and has been adopted by the EU. The standard provides a single model for recognizing revenue from contracts with customers. The company has evaluated the types of contracts and transactions that fall within the framework of this standard. The evaluation includes loss of income due to complaints and returns from customers, revenue from retail customers with the right to return goods after each season, revenue from retail customers with the right to a reduced price prior to the retail sales season, and revenue and shrinkage generated from consignment customers. Following the evaluation, the company remains of the opinion that the standard will not impact the Group's reporting.

New IFRS and interpretations that will be applied beginning on 1 January 2019

IFRS 16 Leases

IFRS 16 Leases will be applied as of the financial year 2019. Odd Molly is applying the simplified transition approach, and the main impact on Odd Molly's reporting comes from the reporting of leased premises. The effect on the consolidated balance sheet as of January 1, 2019 is the addition of a lease asset (right-of-use) and a lease liability of SEK 43.1 million each. Depreciation of the lease asset is estimated at SEK 13.1 million and the interest expense on the lease liability at SEK 2.2 million for the full-year 2019.

Alternative performance measures

Following are definitions of the concepts and measures used in the report, identified as vital to describe the company's performance and financial position, which are not defined or specified according to IFRS.

GROSS PROFIT MARGIN

SEK in thousands	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<i>Operating revenue</i>				
Net sales	65,483	89,272	344,940	430,417
<i>Operating expenses</i>				
Cost of goods sold	-31,137	-43,220	-159,766	-198,511
Gross profit	34,346	46,052	185,173	231,906
Gross profit margin, %	52.4	51.6	53.7	53.9

To calculate the gross profit margin, gross profit is calculated first by subtracting the cost of goods sold from net sales. Gross profit is then measured in relation to net sales to obtain the gross profit margin. The margin, which indicates how large a percentage of net sales becomes profit after the cost of goods sold, is impacted by factors such as pricing, commodity and manufacturing costs, inventory writedowns and exchange rates. All measures used in the calculation can be found in the consolidated income statement.

OPERATING MARGIN

SEK in thousands	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<i>Operating revenue</i>				
Net sales	65,483	89,272	344,940	430,417
Other operating revenue	195	287	1,978	1,701
Total operating revenue	65,678	89,559	346,918	432,118
Operating profit/loss	-22,630	-11,099	-60,593	-4,480
Operating margin, %	-34.5	-12.4	-17.5	-1.0

To calculate the operating margin, operating profit is measured in relation to total operating revenue. This measure indicates how large a percentage of total operating revenue becomes profit after operating expenses. All measures used in the calculation can be found in the consolidated income statement. Operating margin is one of the company's communicated financial targets.

EQUITY/ASSETS RATIO

SEK in thousands	Dec 31 2018	Dec 31 2017
Shareholders' equity	75,604	91,002
Total assets	162,516	183,371
Equity/assets ratio, %	47	50

The equity/assets ratio is calculated by measuring equity in relation to total assets, providing an indication of how large a percentage of the assets is financed with equity. All measures used in the calculation can be found in the consolidated balance sheet. Equity/assets ratio is one of the company's communicated financial targets.

RETURN ON EQUITY

SEK in thousands	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Profit attributable to Parent Company's shareholders (net profit)	-20,718	-9,208	-53,477	-6,266
Average equity	86,312	95,044	83,303	98,364
Return on equity, %	-24.0	-9.7	-64.2	-6.4

The return on equity is calculated by measuring net profit for the period in relation to average equity during the period (opening balance + closing balance divided by two). The return on equity measures the company's return during the period on the equity invested by shareholders, and thus how profitable a company is for its

shareholders. Measures used in the calculation can be found in the consolidated balance sheet and income statement.

NET LIQUIDITY

	Dec 31	Dec 31
SEK in thousands, Group	2018	2017
Cash and cash equivalents	16,528	17,050
Utilized overdraft facilities at the end of the period	24,881	29,602
Net liquidity	-8,352	-12,553

	Dec 31	Dec 31
SEK in thousands, Parent Company	2018	2017
Cash and cash equivalents	8,739	12,387
Utilized overdraft facilities at the end of the period	24,881	29,602
Net liquidity	-16,142	-17,215

Net liquidity is calculated by subtracting utilized overdraft facilities from cash and cash equivalents. Measures used in the calculation come from the Group's and the Parent Company's balance sheet and cash flow statement.

EQUITY PER SHARE

	Dec 31	Dec 31
	2018	2017
Weighted average number of shares before dilution (full-year)	7,111,244	5,752,000
Shareholders' equity, SEK thousands	75,604	91,002
Equity per share before dilution, SEK	10.63	15.82

Equity per share, also called a company's net asset value, is calculated by measuring shareholders' equity in relation to the average number of shares before dilution. Equity per share after dilution has not been calculated. Calculation methods can be found in the consolidated balance sheet and the Number of shares.

PARENT COMPANY'S ADJUSTED EQUITY

	Dec 31	Dec 31
SEK in thousands	2018	2017
Shareholders' equity	47,470	55,802
78/78.6 percent of the untaxed reserves	0	7,254
Adjusted equity	47,470	63,056

The Parent Company's adjusted equity is calculated by adding 78 percent (2017) and 78.6 percent (2018 given the change in the corporate tax rate from 2019) of the Parent Company's untaxed reserves to the Parent Company's shareholders' equity. All measures used in the calculation can be found in the Parent Company's balance sheet.

Condensed financial information

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK in thousands	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<i>Operating revenue</i>				
Net sales	65,483	89,272	344,940	430,417
Other operating revenue	195	287	1,978	1,701
Total operating revenue	65,678	89,559	346,918	432,118
<i>Operating expenses</i>				
Cost of goods sold	-31,137	-43,220	-159,766	-198,511
Other external expenses	-34,406	-35,157	-156,049	-147,437
Personnel expenses	-19,771	-19,135	-78,005	-77,071
Depreciation/amortization	-2,861	-3,087	-12,048	-12,009
Other operating expenses	-134	-59	-1,643	-1,570
Operating profit/loss	-22,630	-11,099	-60,593	-4,480
<i>Result from financial items</i>				
Interest income	63	159	654	686
Interest expenses	-309	-301	-1,227	-1,041
Profit/loss after financial items	-22,876	-11,241	-61,167	-4,835
Taxes	2,158	2,034	7,690	-1,431
Net profit/loss attributable to Parent Company's shareholders	-20,718	-9,208	-53,477	-6,266
<i>Other comprehensive income</i>				
Items that will be reclassified to profit or loss				
Translation difference	-364	-35	1,307	-1,168
Cash flow hedges	-444	2,330	1,897	-1,126
Tax effect cash flow hedges	109	-513	-406	248
Total comprehensive income attributable to Parent Company's shareholders	-21,417	-7,426	-50,679	-8,312
Earnings per share before dilution, SEK	-2.46	-1.60	-7.52	-1.09
Earnings per share after dilution, SEK	-2.46	-1.60	-7.52	-1.09

CONSOLIDATED BALANCE SHEET

SEK in thousands	Dec 31 2018	Dec 31 2017
ASSETS		
<i>Fixed assets</i>		
Intangible fixed assets	1,211	4,484
Tangible fixed assets	5,564	13,036
Financial fixed assets	1,087	1,131
Deferred tax assets	6,258	369
	14,121	19,020
<i>Current assets</i>		
Inventories	80,571	77,663
Advance payments to suppliers	1,176	1,627
Accounts receivable	38,808	59,042
Current receivables	11,312	8,969
Cash and cash equivalents	16,528	17,050
	148,395	164,351
TOTAL ASSETS	162,516	183,371
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	75,604	91,002
Deferred tax	1,311	2,957
Current liabilities	85,602	89,412
	162,516	183,371
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	162,516	183,371

Cash and cash equivalents are since the interim report for January-September 2016 reported gross, before utilized overdraft facilities. Utilized overdraft facilities are reported in current liabilities. Previously, cash and cash equivalents were reported net as the value of cash and cash equivalents after utilized overdraft facilities. The difference between net liquidity and gross liquidity is reported in the cash flow statement for the Group.

PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK in thousands	Dec 31 2018	Dec 31 2017
Pledged assets	30,000	30,000
Pledged receivables	6,222	10,220
Contingent liabilities	1,415	1,415

CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

SEK in thousands	Dec 31 2018	Dec 31 2017
Attributable to Parent Company's shareholders:		
Shareholders' equity at the beginning of the year	91,002	105,725
Dividend	0	-5,752
Share issue with pre-emption rights and over-allotment issue	35,280	0
Other	0	-658
Total comprehensive income for the period	-50,679	-8,312
Shareholders' equity at the end of the period	75,604	91,002

CASH FLOW STATEMENT FOR THE GROUP

SEK in thousands	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating activities				
Operating profit	-22,630	-11,099	-60,593	-4,480,
Adjustments	2,681	2,922	14,502	10,093
Interest received	63	159	654	686
Interest paid	-309	-301	-1,227	-1,041
Income tax paid	-389	-1,256	-8,717	-3,703
Cash flow from operating activities before changes in working capital	-20,584	-9,575	-55,382	1,554
Changes in working capital				
Change in inventories	-3,336	2,579	-2,469	-10,816
Change in receivables	17,597	20,229	24,013	5,333
Change in current liabilities	-3,060	460	3,253	3,410
Cash flow from operating activities	-9,383	13,694	-30,585	-519
Investing activities				
Acquisition of tangible fixed assets	-339	-127	-896	-4,285
Reversal of financial fixed assets	0	0	45	0
Cash flow from investing activities	-339	-127	-851	-4,285
Financing activities				
Dividend paid	0	0	0	-5,752
Share issue with pre-emption rights and over-allotment issue	0	0	35,280	0
Cash flow from financing activities	0	0	35,280	-5,752
Cash flow for the period	-9,722	13,567	3,844	-10,556
Cash and cash equivalents at the beginning of the period	21,156	17,049	17,050	25,121
Utilized overdraft facilities at the beginning of the period	19,569	43,619	29,602	26,920
Cash and cash equivalents at the beginning of the period, net	1,587	-26,570	-12,553	-1,799
Exchange rate difference in cash and cash equivalents	-217	451	357	-198
Change in overdraft facilities utilized	5,312	-14,017	-4,722	2,682
Cash and cash equivalents at the end of the period	16,528	17,050	16,528	17,050
Utilized overdraft facilities at the end of the period*	24,881	29,602	24,881	29,602
Cash and cash equivalents at the end of the period, net	-8,352	-12,553	-8,352	-12,553

* The total overdraft limit amounts to SEK 35 million as of December 31, 2018

REVENUE AND OPERATING RESULT BY SEGMENT

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
SEK in thousands				
Wholesale				
Revenue	28,527	40,797	146,516	210,968
Operating result	-3,907	3,123	8,481	34,458
Retail				
Revenue	37,151	48,762	200,402	221,150
Operating result	289	3,966	7,177	30,972
Common group costs				
Operating result	-19,012	-18,187	-76,252	-69,910
Total				
Revenue	65,678	89,559	346,918	432,118
Operating result	-22,630	-11,099	-60,593	-4,480

The company reports revenue and operating results for three segments: wholesale, retail and common group costs. Operating results for each segment are charged with direct costs for the segment. Costs not directly attributable to wholesale or retail are reported in the segment common group costs.

QUARTERLY DATA

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Total operating revenue, SEK million	65.7	99.5	76.3	105.5	89.6	134.5	82.0	126.1
Gross profit margin, %	52.4	51.0	57.6	54.1	51.6	53.0	57.6	54.0
Operating profit/loss, SEK million	-22.6	-19.3	-11.9	-6.7	-11.1	6.6	-7.5	7.5
Operating margin, %	-34.5	-19.4	-15.6	-6.3	-12.4	4.9	-9.2	6.0
Net profit/loss, SEK million	-20.7	-15.7	-10.3	-6.7	-9.2	4.9	-6.6	4.7
Earnings per share before dilution, SEK	-2.46	-1.87	-1.78	-1.17	-1.60	0.85	-1.15	0.81
Earnings per share after dilution, SEK	-2.46	-1.87	-1.78	-1.17	-1.60	0.85	-1.15	0.77
Weighted average number of shares before dilution, thousands	8,419	8,419	5,811	5,752	5,752	5,752	5,752	5,752
Weighted average number of shares after dilution, thousands	8,419	8,419	5,811	5,752	5,752	5,752	5,752	6,052
Return on equity, %	-24.0	-14.9	-10.3	-7.6	-9.7	5.0	-6.5	4.3
Equity/assets ratio, %	47	53	63	47	50	48	50	56
Equity per share before dilution, SEK	8.98	11.52	19.52	15.14	15.82	17.23	16.41	18.90
Cash flow from operating activities, SEK million	-9.4	-20.6	7.3	-7.9	13.7	-28.5	16.7	-2.4
Cash flow from operating activities per share before dilution, SEK	-1.11	-2.45	1.26	-1.38	2.38	-4.95	2.90	-0.42

PARENT COMPANY INCOME STATEMENT

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
SEK in thousands				
<i>Operating revenue</i>				
Net sales	56,462	81,386	319,198	408,302
Other operating revenue	162	606	1,770	852
Total operating revenue	56,625	81,991	320,968	409,154
<i>Operating expenses</i>				
Cost of goods sold	-27,095	-39,200	-149,386	-188,663
Other external expenses	-31,600	-43,094	-146,911	-155,283
Personnel expenses	-17,312	-16,271	-68,190	-67,228
Depreciation/amortization of tangible and intangible fixed assets	-1,253	-1,456	-5,530	-5,922
Other operating expenses	-12	0	-815	-1,476
Operating profit/loss	-20,648	-18,029	-49,864	-9,418
<i>Result from financial items</i>				
Interest income	57	153	647	682
Interest expenses	-302	-286	-1,179	-1,005
Impairment of receivables/shares in subsidiary	-8,335	-6,461	-8,335	-6,461
Profit/loss after financial items	-29,228	-24,623	-58,731	-16,202
Appropriations	9,300	6,600	9,300	6,600
Profit before tax	-19,928	-18,023	-49,431	-9,602
Taxes	0	2,337	5,801	440
Net profit/loss	-19,928	-15,686	-43,629	-9,162

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
SEK in thousands				
<i>Items that will be reclassified to profit or loss</i>				
Cash flow hedges	-444	2,330	1,897	-1,126
Tax effect cash flow hedges	109	-513	-406	248
Total comprehensive income for the period	-20,263	-13,869	-42,138	-10,040

PARENT COMPANY BALANCE SHEET

SEK in thousands	Dec 31 2018	Dec 31 2017
ASSETS		
<i>Fixed assets</i>		
Intangible fixed assets	183	590
Tangible fixed assets	2,945	7,370
Financial fixed assets	25,006	24,854
Deferred tax assets	6,258	369
	34,392	33,183
Current assets		
Inventory	72,942	71,960
Advance payments to suppliers	1,174	1,384
Accounts receivable	35,601	47,349
Other current receivables	8,539	16,188
Cash and cash equivalents	8,739	12,387
	126,995	149,267
TOTAL ASSETS	161,387	182,450
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	47,470	55,802
Untaxed reserves	0	9,300
Current liabilities	113,917	117,347
	161,387	182,450
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	161,387	182,450

Cash and cash equivalents are since the interim report for January-September 2016 reported gross, before utilized overdraft facilities. Utilized overdraft facilities are reported in current liabilities. Previously, cash and cash equivalents were reported net as the value of cash and cash equivalents after utilized overdraft facilities.

PARENT COMPANY PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK in thousands	Dec 31 2018	Dec 31 2017
Pledged assets	30,000	30,000
Pledged receivables	6,222	10,220
Contingent liabilities	1,415	1,415

The Board of Directors and the CEO certify that the year-end report gives a true and fair overview of the operations, financial position and results of the Parent Company and the Group and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, February 14, 2019

Patrik Tillman, Chairman

Mia Arnhult, Board Member

Anna Frick, Board Member

Kia Orback Pettersson, Board Member

Elin Ryer, Board Member

Jacob Wall, Board Member

Jennie Högstedt Björk, CEO

SCHEDULED INFORMATION DATES

- The Annual Report 2018 will be published early April 2019.
- The Annual General Meeting 2019 will be held on May 7, 2019.
- The Interim Report for January-March 2019 will be released on May 7, 2019.
- The Interim Report for January-June 2019 will be released on August 17, 2019.
- The Interim Report for January-September 2019 will be released on October 25, 2019.

PRESENTATION OF THE REPORT

The report will be presented at the company's head office, Kornhamnstorg 6, Stockholm, on February 14, 2019 at 2.00 pm CET. To attend, please contact jacob.neckmar@oddmolly.com.

For further information, please contact:

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Johanna Palm, CFO, +46-760-10 24 55

This information is information that Odd Molly International AB is obliged to make public pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set above, on February 14, 2019 at 8.00 am CET.

This is an English translation of the Swedish original report.

ABOUT ODD MOLLY

Odd Molly is a Swedish company that designs, markets and sells distinctive fashion. The company's products are mainly sold through its own channels as well as through its own sellers and external agents and licensees to retailers. A growing share of sales comes from Odd Molly's own channels, mainly from the company's web shop, which reaches over 40 countries. The company also has of its own physical stores as well as stores managed by partners in selected markets. The Odd Molly share is traded Nasdaq Stockholm's small cap list.

OUR STRATEGY

Odd Molly will profitably grow by continuing to create inspiring collections, strengthening the brand and developing new and existing sales channels and models. The corporate culture is rooted in quality, responsibility and engagement. At the end of 2018 Odd Molly reformulated its growth strategy to strengthen digital and international growth with lower costs, complexity and tied-up capital:

Brand and product range Odd Molly will strengthen its brand position with more streamlined product range.

Channels Odd Molly will refine its channel strategy with a focus online – by increasing our own e-commerce and reducing the number of stores.

Expansion Odd Molly will focus on international growth through a licensing model outside main strategic markets.

Sustainability Odd Molly's organization will maintain the highest quality, drive and engagement and be adapted to the company's long-term needs and growth. Care for Odd Molly's environment will be reflected in everything we do.

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Press photos can be downloaded from Odd Molly's website at www.oddmolly.com under "press".
Odd Molly also produces a newsletter with reports on daily operations. To subscribe, go to www.oddmolly.com.

